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LIBERIA, THE LEAGUE AND THE UNITED STATES

by

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with the aid of the Research Staff of the Foreign Policy Association

INTRODUCTION

THE failure of Liberia and the League of Nations to agree on the terms of the assistance which the West African Negro Republic had requested from Geneva raises the question whether the United States shall assume active responsibility for the internal affairs of a state in which it has special interests or maintain the tenuous connection inaugurated in 1926. On May 18, 1934 the League Council formally withdrew the League plan of assistance on the ground that the reservations which accompanied acceptance by the Liberian legislature were equivalent to refusal of the plan.[1] On May 29 the British government directed its Ambassador in Washington to request the Secretary of State for an "indication of the policy which the United States Government would in the circumstances recommend," at the same time pledging cooperation in any "well-considered" American measures.[2]

Before making a reply to Great Britain, the State Department decided to inquire directly into Liberian affairs, and in July sent to Monrovia Mr. Harry A. McBride, Assistant to the Secretary of State, "in order that the United States Government may be fully informed of present conditions in Liberia."[3] Following the submission of Mr. McBride's report early in October, Mr. Frederick Pomeroy Hibbard, who has been in charge of Liberian affairs in the State Department, was appointed first secretary of legation and consul at the Liberian capital.[4]

1. League of Nations, Council, *Minutes of the Seventy-ninth Session*, C/79th Session/P.V.4(1). The plan withdrawn by the Council at this session was a revision of that originally formulated in May 1932. Cf. R. L. Buell, "The Reconstruction of Liberia," *Foreign Policy Reports*, August 3, 1932.

2. British Blue Book, *Papers concerning Affairs in Liberia*, Cmd. 4614, 1934, p. 52.

3. U. S. Department of State, *Press Releases*, July 28, 1934. Mr. McBride served as Receiver of Customs and Financial Adviser in Liberia for some months during 1918 and 1919 and, according to this release, "enjoyed to a marked degree the confidence of the Liberian people."

4. *Ibid.*, September 22, 1934, p. 217.

The special interest of the United States in Liberia dates from 1819, when Congress authorized official support of the American Colonization Society formed to provide a home for freed slaves. In 1912 it brought about a loan agreement between Liberia and a group of foreign bankers, under the terms of which was established an "international receivership" whereby Americans and other foreigners were designated to administer the collection of Liberian customs. Although in 1922 the United States Senate failed to approve the project for a loan by the American government, a Financial Adviser to Liberia was appointed by Washington.[5]

THE FIRESTONE AGREEMENTS

In 1926 two agreements between subsidiaries of the Firestone Tire and Rubber Company and the Liberian government altered the relationship between Monrovia and Washington. In the first agreement, the Firestone Plantations Company obtained a 99-year lease of one million acres or less, to be chosen at will in Liberia, at an annual rental of six cents for every acre under development; it was to pay the Liberian government an annual tax of one per cent of the value of the rubber exported. In the second agreement, the Finance Corporation of America secured the right to lend $5,000,000 to the Liberian government in order that it might pay off its other debts and begin public developments.[6] While the 1912 loan was guaranteed by "administration" of the customs of Liberia, that of 1926 was guaranteed by "super-

5. For an account of the early connection of the United States and Liberia, and the financial arrangements of the Republic up to 1926, cf. R. L. Buell, *The Native Problem in Africa* (New York, Macmillan, 1928), Vol. II, pp. 705-08, 782, and Chapter 101 respectively.

6. For the conclusion of the rubber concession agreement, cf. *ibid.*, Chapter 102 and, for the text, Appendix XLII. For the conclusion of the Loan Agreement, cf. *ibid.*, Chapter 103 and, for the text, League of Nations, *Request for Assistance submitted by the Liberian Government*, C.469.M.238.1932.VII., Annex I, Appendix VII.

vision" of both customs and internal revenue. This supervision was to be entrusted to five American fiscal officials, headed by a financial adviser with certain powers over the Liberian budget and expenditures.[7] The State Department agreed that the President of the United States would designate the Financial Adviser to be appointed by the President of Liberia and that he could be removed on the request of the American President. The Financial Adviser, after submitting the names of his subordinates to the American Secretary of State, was to present them to the Liberian Chief Executive for appointment.

By the terms of this Loan Agreement the Finance Corporation was to purchase at a price of 90 Liberian government bonds to the amount of two and a half million dollars according to a schedule arranged to carry through 1929. Of this amount, $1,845,000 was needed to repay the 1912 loan and other debts. The second half of the bonds might be issued only when receipts from assigned revenues—customs and head monies— reached $800,000 annually for two consecutive years; on these bonds the Finance Corporation obtained an option. The loan was to run for 40 years and bear 7 per cent annual interest, payable semi-annually. Article XV of the Loan Agreement specified that the Financial Adviser must approve in writing the creation of any floating debt or the contraction of any other loan by the Liberian government until the 1926 loan and attendant expenses were fully repaid; no refunding loan could be concluded without such approval until twenty years had elapsed. During the negotiations the State Department urged Liberia to accept these conditions.[7a]

THE LEAGUE AND LIBERIAN REFORM

FORCED LABOR INVESTIGATION

On June 8, 1929 the State Department drew the attention of the Liberian government to repeated allegations of slavery and forced labor in Liberia. Although Liberia made a categorical denial, the Monrovia government agreed to the establishment of an international commission of inquiry. Of the three members of this commission Liberia and the United States each appointed one, and the League of Nations selected the chairman, Dr. Cuthbert Christy. In the autumn of 1930 the Christy Commission completed a report which confirmed the existence of widespread forced labor for road construction, "pawning" of children among the natives, and "boy-snatching" for export to the cocoa plantations of Spanish Fernando Po.[8] Public indignation in Liberia at the graft accruing to high officials from this slave traffic forced the resignation of President King and resulted in the election of Edwin Barclay to the Presidency in May 1931.

Having threatened the "final alienation" of official friendliness unless Liberia instituted "a comprehensive system of reforms, loyally and sincerely put into effect,"[9] the United States refused to recognize President Barclay and denied the effectiveness of his reform measures. Before the League Council on January 22, 1931, the Liberian delegate reaffirmed his government's intention to carry out reforms along the lines suggested by the Commission of Enquiry, but explained at the same time that Liberia was "in the most precarious financial situation that she has ever known"; he was therefore authorized to state that Liberia "would consider with sympathy and gratitude" any definite proposals of financial assistance which the League might offer on terms which would respect the sovereignty and independence of the Republic.[10] The preceding day President Barclay had received notes from the American, British and German governments asking Liberia to request the Council to set up an International Governing Commission;[11] Liberia refused this demand, but directed Dr. Sottile to amplify its request for help from the League by including "administrative assistance in the application of social and public health reforms."[12] The League Council set up a Liberian Committee to deal with Liberia's request for assistance,[13] and the United States accepted the League's invitation to be represented on the Committee.

7. In the disbursement of government funds, the order of priority was to be: first, the cost of collecting the revenues, including the salaries of the loan officials and the American officers who were to be named to command the Liberian Frontier Force; second, the current running expenses of the government; and third, payment of interest and sinking fund on the loan.

7a. Cf. Buell, *The Native Problem in Africa*, cited, Vol. II, p. 845.

8. U. S. Department of State, *Report of the International Commission of Enquiry into the Existence of Slavery and Forced Labor in the Republic of Liberia*, Publication No. 147 (Washington, Government Printing Office, 1930); and League of Nations, *Report of International Commission of Enquiry in Liberia*, C.658.M.272.1930.VI. The Firestone Plantations Company, it was declared, was consciously using only free labor. For the view that the export to Fernando Po threatened the Firestone labor supply, cf. W. E. B. DuBois, "Liberia, the League, and the United States," *Foreign Affairs*, July 1933, p. 687.

9. League of Nations, "Memorandum delivered to the Liberian Consul-General by the Secretary of State of the United States, on November 17, 1930," *Official Journal*, February 1931, pp. 468-9.

10. *Idem*, Council, "Minutes of the Sixty-second Session," *Official Journal*, February 1931, p. 192.

11. *Idem, Memorandum of the Government of Liberia on the Report of the Experts*, C/Liberia/13, p. 5.

12. *Idem, International Commission of Enquiry in Liberia*, C.134.1931.VI., January 24, 1931.

13. *Idem*, Council, "Minutes of the Sixty-second Session," *Official Journal*, February 1931, pp. 218-19.

THE FIRST LEAGUE PLAN OF ASSISTANCE

This Committee appointed Dr. Brunot, former French Colonial Governor, to head a second commission to Liberia. After receiving the report of the Brunot Commission[14] and the Liberian counter-proposals,[15] the Committee submitted to the Council in May 1932 a memorandum on general principles of a plan of assistance.[16] According to this plan, the League was to nominate for appointment by the President of Liberia foreign commissioners and their deputies who were to see "that the laws and regulations are carried out" and be "responsible for public peace and order" in the three provinces into which the Republic was to be divided; foreign health officers were to be engaged, and a Chief Adviser appointed by the Council to supervise the execution of the League plan and arbitrate disputes between the government and American fiscal officials, who were to continue their supervision of the collection and disbursement of government revenues. The Committee proposed to finance the plan in the first instance by having the Finance Corporation advance at par the $247,000 still outstanding from the first half of the loan. Interest and sinking fund payments by Liberia were to be suspended until the revenue and receipts of the Republic had reached $650,000, and when resumed were to be paid at a rate of interest lower than the 7 per cent specified in the 1926 agreement. The Committee also recommended that the Firestone Plantations Company agree to reduce the size of its concession and raise the annual rental from 6 to about 50 cents an acre.

Although an American reservation submitted at the last meeting of the Committee had declared that the State Department could not recommend the plan to the Finance Corporation since it accorded too little authority to the foreign administrators,[17] the Council approved the report of its Liberia Committee[18] and urged Liberia both to accept the General Principles and to complete the necessary negotiations with the Firestone interests before the Committee reassembled in the autumn. On August 25, 1932 the State Department issued a memorandum reiterating its attitude and declaring that reservations set forth in the Liberian "acceptance"[19] of the General Principles "would still further and very materially weaken the plan, which was unacceptable to the American Government in its original form, because of its basic weakness regarding the question of the delegation of authority."[20]

This American attitude caused general surprise when the Committee met again in Geneva on September 22.[21] Nevertheless, the Committee agreed to strengthen the position of the Chief Adviser in accordance with American wishes.[22] After this revision and several modifications incorporating Liberian suggestions, the Committee unanimously adopted the General Principles. The acceptance of the Liberian government, however, was conditioned on the satisfactory outcome of its negotiations with the Finance Corporation. The United States forwarded to the latter the General Principles, endorsing them "as a basis for the further development of the Liberian problem through direct negotiations between the Finance Corporation and Liberia." In spite of this endorsement and repeated invitations from the Committee to the Finance Corporation to send representatives to Geneva, the Firestone subsidiary declared that it was "not satisfied that the General Principles are as yet in a form to afford a solution." After promising to send a representative to negotiate with the Liberians in November, it later declined to enter into direct negotiations until its Vice-President, Mr. L. T. Lyle, had submitted a report following a projected trip to Liberia.[23]

LIBERIA DECLARES A MORATORIUM ON FIRESTONE LOAN

On December 15 Mr. Lyle had his first conference with President Barclay in Monrovia. Two days later a joint resolution of the Liberian legislature authorized the President to suspend payment of interest and amortization on the Firestone loan until for two consecutive years the government revenues reached $650,000 annually, and to modify

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14. *Idem, Report by the Experts . . . appointed to study the . . . Liberian Government's Request for Assistance,* C./Liberia/4(1).

15. *Memorandum of the Government of Liberia on the Report of the Experts,* cited.

16. League of Nations, *General Principles of the Plan of Assistance,* C/Liberia/17(1). For an analysis of these three proposals, cf. Buell, "The Reconstruction of Liberia," cited.

17. Cf. U. S. Department of State, *Press Releases,* May 21, 1932, p. 515.

18. *Request for Assistance submitted by the Liberian Government,* cited. This document prints as appendices the *Report of the Experts,* the *Liberian Memorandum,* the *Detailed Plan of Assistance,* and the *General Principles of the Plan of Assistance.*

19. League of Nations, *Note by the Secretary-General,* September 8, 1932, C.625.1932.VII.

20. U. S. Department of State, *Press Releases,* September 17, 1932, pp. 168-70; and League of Nations, *Note by the Secretary-General,* September 12, 1932, C/Liberia/22. For the bitter Liberian reaction to this American view, cf. *The Liberian Patriot* (Monrovia), September 17, 1932.

21. Cf. *New York Times,* September 23, 1932.

22. League of Nations, *Report by the Committee of the Council,* C.720.1932.VII., p. 7.

23. *Ibid.,* pp. 1-2; U. S. Department of State, *Press Releases,* October 15, 1932; and League of Nations, *Report by the Representative of Poland,* C.782.1932.VII., November 23, 1932.

the commissions of the American fiscal officials.[24] Having notified the parties concerned of this action, the Liberian government in mid-January 1933 cancelled the Depositary Agreement with the United States Trading Company—Banking Department, dismissed the American Supervisor of Internal Revenue who was at the same time Acting Financial Adviser, and passed through the House of Representatives a bill authorizing an internal 20-year loan at 3 per cent to consolidate the floating debt. A series of protests by the fiscal officials and the Finance Corporation, seconded by the Department of State and its Monrovia representative, failed to make Liberia rescind these measures.[25] When the American Minister refused to receive an answer to his protest because it was signed by the secretary to the President, Liberia countered by requesting the French government to inform Washington that the Minister could no longer be afforded "the courtesy, official and unofficial, he has hitherto enjoyed."[26]

In the midst of the tension created by these incidents, the Department of State informed the League of recent developments and declared that its own policy must be both to protect the rights of American citizens and to cooperate with the League "in seeking a solution of Liberia's difficulties by international action."[27] Following a meeting of the Liberia Committee on January 31 its chairman, Viscount Cecil, telegraphed President Barclay that, in the view of the Committee, Liberia's unilateral action was "inconsistent with the vital provisions of the scheme of assistance . . . and that so long as the measures taken by the Liberian Government are in force the scheme cannot be effective." The Finance Corporation, the telegram continued, would recognize the *de facto* existence of the moratorium provided the legislation of December 17 and subsequent orders were withdrawn. The President of the United States appointed Major-General Blanton Winship, formerly Judge Advocate General of the Army, his Representative on Special Mission in Liberia.[28]

THE SECOND LEAGUE PLAN OF ASSISTANCE

Financial Proposals

In spite of Liberia's failure to withdraw the debt suspension act, General Winship, Mr. Lyle and Liberian officials commenced in Monrovia financial negotiations which they concluded in June in London, under the chairmanship of Mr. Ligthart, League financial expert on the Brunot Commission.[29] The Liberia Committee thereupon revised its plan of administrative assistance, and approved the budget for Liberia drafted by Mr. Ligthart and the revision of the 1926 Loan Agreement proposed by the Finance Corporation. On June 27 the Committee drew up these three interlocking schemes as a Draft Protocol which "it strongly recommended" as "fair and practical" and to be accepted "as a whole" by the Council and Liberia.[30]

The outcome of the financial negotiations as embodied in the Ligthart report reduced from 7 to 5 per cent the interest rate on the 1926 loan and gave current expenses of the government first claim on the revenues of Liberia.[31] These expenses were estimated at $300,000 yearly. Revenues in excess of this sum were to be assigned to pay the salaries of foreign experts administering the plan of assistance ($78,000), the cost of public developments in Liberia specified in the plan ($72,000), and the bank charges and salaries of American loan officials ($52,000).[32] When all these charges had been met Liberia was to pay the annual interest of $125,000, making a total annual sum of $627,000 exclusive of any provision for the amortization of the internal or external debt. Should revenues exceed $627,000, half the excess was to be applied for this amortization in the ratio of $40,000 to $66,000, and the other half was to finance further public developments. Estimating the revenue for the current year at $456,500, Mr. Ligthart proposed that the resultant deficit of $170,500 should be met, first by the operation of a working capital fund of $150,000—the cost of the plan of assistance —to be created "by the issue of fresh bonds"[32a] by the Finance Corporation, and second by the provision that "if the annual interest on the loan cannot be met out of revenue, it is to be renounced at the end of the corresponding year."

The Finance Corporation, while willing to make a loan of $150,000 to cover the first-year cost of the plan, refused to guarantee in subsequent years more than the $78,000 necessary to pay the salaries of the foreign

24. Chapter 2 of the Acts of the Legislature of Liberia, approved December 23, 1932. This Act declared that the payment of salaries to the loan officials but not to its own public servants caused the Liberian government to fail in its "first duty," namely "to ensure its effective and efficient operation."

25. The U. S. Department of State summarized the Liberian acts and published the text of its representations in its *Press Releases*, February 4, 1933, pp. 75-80.

26. Cf. *New York Herald Tribune*, February 1, 1933, and *Afro-American* (Baltimore), February 11, 1933.

27. U. S. Department of State, *Press Releases*, February 4, 1933, p. 80.

28. *Ibid.*, March 4, 1933, pp. 150-1.

29. Cf. League of Nations, *Report submitted by Mr. Ligthart*, C/Liberia/39, June 23, 1933.

30. *Idem*, *Report of the Committee to the Council*, C.421.M.214.1933.VII., June 27, 1933. The numerous Liberian objections to the financial arrangements were included as Appendix I.

31. Ordinary government expenses previously had second claim, following the cost of collecting the revenues which guaranteed the Firestone loan. Cf. footnote 7.

32. In the tables of priority, inconsistent in detail with each other (*Report of the Committee to the Council*, cited, pp. 1 and 10), these three sums are lumped as the second claim, with no precedence among them provided.

32a. The author is informed that this wording is at fault and that it was intended that the Corporation should *purchase* new Liberian Government bonds.

officials.[33] Furthermore, the Agreement Supplementary to the Loan Agreement appended to the Committee's report was not consistent with the Ligthart report. According to the former, the Firestone Corporation would not "renounce" the annual interest on the 1926 loan should the Liberian government be unable to meet that charge, but instead of cash would accept new bonds. The Supplementary Agreement also proposed to set $350,000 instead of $352,000 as the cost of the government's current expenses and American fiscal supervision, and to accord priority to the latter instead of the former item. The Finance Corporation conditioned its acceptance of the League administrative plan on legislative approval by Liberia of both the Ligthart report and the Supplementary Agreement, as well as on Liberia's acceptance of the administrative plan and return to the *status quo* existing before December 1932 in its financial arrangements with the Corporation.[34]

The financial arrangements worked out directly between the Finance Corporation and the Liberian government were in marked contrast to the detailed plan of assistance recommended by the League experts in May 1932. Although the administrative plan was still to be financed by the Firestone Corporation, the money was now to be provided not from the issue of the remainder of the first half of the 1926 loan, but from a bond issue[34a] on the part of the Finance Corporation which guaranteed no funds after the first year for the execution of public works schemes in Liberia. Instead of a moratorium on the Firestone loan until the revenues of the Republic should have reached $650,000, the Liberian government was to make interest payments when its revenues reached $502,000, and then not according to a scale graduated in relation to revenues and commencing at 1 per cent, but immediately at the new 5 per cent rate. Furthermore, contrary to the policy of the General Principles accepted by all the members of the Committee in October 1932, the Ligthart report made no recommendation for altering the terms of the Firestone rubber concession. Mr. Ligthart emphasized "the importance of having an undertaking from the Liberian Government that it will not grant any further concessions or monopolies to foreigners, except after consultation with the Chief Adviser."[35]

The Liberian Memorandum,[36] expressing the disagreement of the Republic's representative with the Committee's approval of the Ligthart report, censured the Committee on the ground that, in failing to undertake revision of the loan and planting agreements, it was acting inconsistently with its previous criticism of those agreements. The memorandum also contended that the proposed budget was too low, making no provision for education and reducing the salaries of Liberian officials to a scale which would "eventually produce an inferiority complex not compatible with the leaders of any country," and that the cost of the plan of assistance was too high in view of the actual and prospective revenues of Liberia.

Administrative Proposals

At its June meetings the Committee had also measurably altered the character of its plan of administrative assistance. It amended the plan which it had unanimously approved the previous October by accepting eight out of twelve changes required by the Finance Corporation as "sufficient guarantees."[37] By this revision the Provincial Commissioners were made responsible to the Chief Adviser as well as to the President of the Republic, and no orders were to be issued to these officials except with the approval of the Chief Adviser. The latter's authority and the position of the Finance Corporation were further strengthened by textual emendations in the former plan. In place of the unanimity rule assured in October 1932, a two-thirds majority was to govern decisions in the League Council and its permanent Liberia Committee, except with reference to the renewal or withdrawal of League assistance. The Finance Corporation also insisted that the Chief Adviser be an American.[38] In accordance with Mr. Ligthart's suggestion, a statement of the powers of the American fiscal official over the collection and disbursement of government funds was incorporated in the administrative plan.[39]

On October 11 the Liberian objections to the administrative plan were presented to the Committee by Mr. Grimes in detailed amendments to the June Protocol.[40] Hardly a single article was unchanged, and others were added in an attempt to reduce the powers of the Chief Adviser and safeguard the

33. League of Nations, *Supplement to Mr. Ligthart's Report*, C./Liberia/39(a), June 27, 1933.

34. *Report of the Committee to the Council*, cited, p. 11.

34a. Cf. footnote 32a.

35. *Ibid.*

36. *Ibid.*, Appendix I.

37. For the text of these demands, cf. *Report submitted by Mr. Ligthart*, cited, pp. 10-12; and for the text of the June plan, cf. *Report of the Committee to the Council*, cited, Appendix II.

38. League of Nations, Committee of the Council, *Minutes*, C/Liberia/P.V.30(1), p. 3.

39. Cf. *Report submitted by Mr. Ligthart*, cited, p. 7. In defending this change, Mr. Ligthart noted that such a statement was included in the *Detailed Plan of the Experts* of *May 1932*; he did not refer to the departures from this same plan as such.

40. League of Nations, *Amendments of the Liberian Government . . . to the Plan of Assistance . . .* , C/Liberia/42. In August Liberia had returned a noncommittal answer to a British note declaring that Great Britain and the United States would enter into full diplomatic relations with the Barclay government should Liberia accept the League plan and grant amnesty to all political prisoners. (*Idem*, C.537.1933.VII., and *Papers concerning Affairs in Liberia*, cited, p. 37.)

Liberian Constitution: the duty of guaranteeing public law and order was to be restored to the President, salaries of judges were not to be reduced during their tenure of office, and questions concerning the constitutionality of recommendations of the Chief Adviser were to be submitted to the Supreme Court at Monrovia instead of to the Permanent Court of International Justice.[41] Liberia, moreover, again challenged Mr. Ligthart's budget figures and reiterated its unwillingness to contract a new loan "issued under fresh external bonds."

The Committee of the Council declared that "it was quite impossible now to consider making any radical changes in the Plan" and during three meetings rejected a majority of the Liberian amendments.[42] Lord Cecil made it clear that if Liberia accepted the Plan, "it would undoubtedly have to modify its laws. Nevertheless," he declared, "such modifications did not constitute an infringement of its sovereignty, since it would take any decision itself."[43] General Winship upheld the thesis that Liberia could not legally issue an internal loan and defended the retention of a low rent for the rubber concession, arguing that more revenue would accrue to Liberia from a low rental plus the one per cent export tax than from a high rental and no tax.[44] He concurred, however, in the alteration of Article 17 of the Ligthart report, which now specified that Liberia need only "consult" with the Chief Adviser on the question of new concessions to foreigners, and declared that the American government "does not maintain that the Chief Adviser should be of American nationality."[45]

When the Council met to consider the Committee's Final Report, it received word that the Finance Corporation was willing to increase the budget for the running expenses of the Liberian government by $25,000 earmarked for educational purposes, and would accept the Committee's plan. The Council approved the report of its Committee, although Mr. Grimes, who abstained from voting, maintained that the plan was devised "in flagrant violation" of his country's Constitution and demanded to know whether the Chief Adviser was intended to be a collaborator or a dictator.

LEAGUE WITHDRAWS ITS PLAN

On January 12, 1934 the Liberian legislature rejected the Supplementary Loan Agreement and appended twelve reservations to its acceptance of the administrative plan.[46] Since these reservations had not reached Geneva in time for its next session, the Council on January 19 postponed final action until May, having resolved that the Plan of Assistance must be accepted "as it stands, in its entirety, without reservations," and that if the Liberian reservations raised no new points, the Council "could only take note of the decision of Liberia and cease all its activities in the matter."[47]

The Liberian reservations referred again to the "unconstitutional" powers demanded for the foreign experts, affirmed unwillingness to engage foreign officers for the troops or gendarmerie,[47a] and repeated the condition "that the cost of the execution of said Plan shall involve neither temporary nor permanent increase in the capital indebtedness of the Republic to the Finance Corporation of America or otherwise." In consequence, the Council of the League formally withdrew the offer of its Plan of Assistance.[48]

The Liberian problem having reached this impasse, the British representative suggested the expulsion of Liberia from the League—the first time such a proposal concerning any member state had been heard by the Council. Denouncing the "oppression and misgovernment" of natives and especially of the Kru tribes at the hands of the Monrovia administration, he stated "with the utmost earnestness" that Liberia had "so grossly" failed to observe its obligations under Article 23 (b) of the Covenant "that the League would be quite entitled to consider her expulsion under paragraph 4 of Article 16." Great Britain, however, realized "that the

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41. In support of this constitutional point a fourth section was to be added to Article 13, to read: "There shall be no power granted to the Chief Adviser, nor to any of the experts appointed under the Plan of Assistance, which shall be in derogation of the powers and authority of the President of Liberia, nor of the legislature and courts of Justice established in the Constitution of Liberia."

42. League of Nations, Committee of the Council, *Minutes*, C/Liberia/P.V.33(1), 34(1), and 35(1).

43. *Idem, Minutes*, C/Liberia/33 (1), cited, p. 5. The addition of a paragraph to the preamble of the Draft Protocol, declaring that the plan was intended to avoid infringing the sovereign rights of the Liberian government, led Mr. Grimes to maintain before the Council that preamble and text did not accord. (*Idem*, Seventy-seventh Session of the Council, *Minutes*, Part II, *Official Journal*, December 1933.)

44. *Minutes*, C/Liberia/34 (1), cited, pp. 5-7, 8-10. In the *Plan of the Experts* (*Request for Assistance submitted by the Liberian Government*, cited, Annex II, p. 68) there was no mention of abandoning the tax when the rental was raised. The Firestone interests have objected to a higher rental since unimproved land in the interior of Liberia can be bought at statutory prices of 50 cents and $1 an acre.

45. *Minutes*, C/Liberia/P.V.31(1), cited, p. 6. After repeated searchings for a suitable formula, the Committee recommended in its *Final Report* (C.595.M.277.1933.VII.) that "the Chief Adviser ought not to be of the same nationality of [*sic*] the Financial Adviser, nor should he be of the nationality of any country which had territory adjacent to Liberia."

46. League of Nations, *Note by the Secretary-General*, C.106.-M.38.1934.VII., February 23, 1934.

47. *Idem*, Council, "Seventy-eighth Session of the Council," *Official Journal*, February 1934, pp. 153-6.

47a. In October 1933 Liberia had made a formal reservation to the Committee's decision that the commanding officer should be "appointed by the Liberian Government on the recommendation of the Chief Adviser." League of Nations, Committee of the Council, *Minutes*, C/Liberia/P.V.33(1), pp. 6-8.

48. Cf. p. 239, footnote 1.

expulsion of Liberia would not be in itself a step which would assist toward a solution of the Liberia problem," and therefore proposed to approach the United States on the subject.[49]

CAUSES OF REJECTION OF LEAGUE PLAN

After three years of negotiation, the League had failed to elaborate a plan of assistance for Liberia satisfactory to the Republic and the Finance Corporation of America. In October 1932 the Finance Corporation declared unacceptable a plan of assistance agreed to by Liberia, and a year later the Liberian representative found himself unable to agree to either the financial or administrative arrangements concluded in June 1933 which were satisfactory to the Finance Corporation. Since the League could not impose its plan on a sovereign state, it withdrew its offer, leaving Liberia still burdened by the two 1926 agreements, the terms of which the League experts and other foreign opinion had severely criticized.

The State Department's acceptance of the League's invitation to become a member of the Liberia Committee appeared to indicate a modification of the special position enjoyed by the United States under the 1926 Loan Agreement. Although the United States did not raise objections to the revision of the two agreements of 1926 proposed in the first League plan of May 1932, it made a reservation to the plan ostensibly on the ground that sufficient powers had not been delegated by the Liberian government. These objections were removed by the revision of the first plan in September 1932; the following month this plan was unanimously adopted by the Liberia Committee and forwarded by the American government to the Finance Corporation. The plan called on the Firestone interests to modify substantially their rights in Liberia.[50] Washington did not press the Firestone Corporation to accept the League plan, which the latter declared unsatisfactory without giving any indication of its reasons.[51] On the other hand, in January 1933 the State Department's support of the Finance Corporation's protests against the unilateral moratorium declaration by the Liberian government made it clear that the United States did not intend to leave the defense of private American interests in Liberia entirely in the hands of the League.

If the American government had wholeheartedly supported the first League plan, the Finance Corporation, which had no sovereign rights, could not have blocked the League's terms for its assistance to Liberia. But the League could not carry forward its scheme against the opposition of the United States. Under such circumstances, the League had to choose between ceasing its efforts on behalf of Liberia and revising its plan to suit the United States and the Finance Corporation. Certain observers favored the first course on the ground that the League would injure itself by proposing a plan which did not remove the obvious defects in the Firestone agreements or impose full responsibility for administration on the League. The League, however, chose to make a revision of its plan in June 1933 which not only contained mutually inconsistent provisions, but failed to rectify the conditions which its experts had condemned and which its first plan had recommended should be altered.[52]

This revised plan both the United States and the Finance Corporation expressed willingness to accept. The Liberian government, however, contended that the second League plan violated its sovereignty and unduly favored the Firestone interests. The State Department modified its policy when the League plan was considered again in the autumn of 1933, becoming less ardent in its support of the point of view of the Finance Corporation. It did not go so far, however, as to press for a return to the first League plan. Since Liberia maintained its virtual rejection of the second plan, the League decided to cease all action in the matter. One result of this deadlock is that Liberia has escaped any form of responsible foreign control.

PROGRESS IN LIBERIA

DIFFICULTIES CONFRONTING THE ADMINISTRATION

Liberian dissatisfaction at the terms of the second League plan and resentment of the State Department's allegations that the moratorium declaration constituted a "virtual repudiation" of its obligations have contributed to Liberia's desire to carry out the necessary reforms by its own efforts. Since the Republic appealed to the League in January 1931 it has continued to be troubled by

49. Cf. p. 239.

50. Cf. p. 241.

51. The State Department forwarded the League plan to the Finance Corporation a month before the Presidential election of 1932. Mr. Firestone had contributed $20,396.74 to the campaign fund of President Hoover, his supporter in efforts to break the British rubber "monopoly."

52. Cf. R. L. Buell, "The New Deal and Liberia," *The New Republic*, August 16, 1933, pp. 17-19; and M. A. Hallgren, "Liberia in Shackles," *The Nation*, August 16, 1933, pp. 185-88.

economic conditions, problems of public health, and the administration of the native population. The final withdrawal of the League plan raises the question whether Liberia will be able to rehabilitate itself in accordance with the present scheme of President Barclay, which does not call for foreign control.

Following a period of increasing prosperity from 1926 through 1929, the fall in world prices for Liberian exports and the slowing-up of the Firestone rubber enterprise plunged the Republic's finances into chaos.[53] Liberia has been in default on its debt to the Finance Corporation since July 1931 and by September 1933 had allowed its unsecured internal debt, owed on government salaries and merchants' accounts, to reach $600,000.[54] More recently, however, Liberian conditions seem to have improved: reports from Monrovia[55] indicate that the government's revenues were considerably higher in 1933 than in 1932, that its credit has been restored, and that current merchants' bills are being met promptly. Public works have again been undertaken, and 100 miles of road completed this year in several stretches inland from the capital. The road work and bridge construction are reported to be well done. The 1934 budget estimated revenue at $491,450 and expenditures at $510,126; but the sum of $144,623 brought forward enabled the government to anticipate a balance at the end of the year after transferring $100,000 to the Finance Corporation as a token payment on interest due. The revenues received this year are running ahead of estimates, a fact which strengthens the government's determination to continue paying off the Firestone loan without recourse to new borrowing.

Complaints concerning treatment of native Liberians did not cease with the League's adoption of the Christy report in January 1931. In 1932 allegations of reprisals taken against natives who had testified before the Christy Commission were followed with an investigation by the British consul and an Americo-Liberian Commission. Their reports did not support the accusation of reprisals but admitted bloodshed and the burning of villages in the suppression of a revolt by the Kru tribe; a truce was established for twelve months only with the help of the League, which sent Dr. Mackenzie of the Brunot Commission to the long-troubled Kru coast.[56] Again, in March 1934, the British government and the League requested a statement from Liberia regarding reports of attacks on disarmed native villages by the Liberian Frontier Force.[57] The Liberian government branded such reports as "pure invention";[58] President Barclay wrote from Sasstown in the Kru country to his Secretary of State that the attack had been made on a small band of the Frontier Force by followers of the rebel Chief Juah Nimley, whom neither the government nor friendly chiefs could bring to abandon his continual violation of the boundary line set up by Dr. Mackenzie. The President had decreed an amnesty for the rank and file of Nimley's followers should they surrender to the authorities; it was his conviction that the revolt depended on false belief in a future white administrator, and that foreign money had created a market for information "detrimental to the interest of Liberia."[59]

The ordinary administration of the natives and the state of public health in Liberia have also continued to draw censure during recent years.[60] A recent debate in the British House of Lords emphasized the barbarity of the administration and branded Liberia as a danger spot on the African coast because of the Republic's lack of public health service in the face of widespread disease.[61] According to the unanimous reports of the native and foreign doctors practicing in Liberia, however, malaria is no more prevalent there than in neighboring states, and not a single case of yellow fever has been authenticated since 1929.[62] Sanitary conditions in Monrovia, it is reliably reported, have greatly improved in the last years and compare not unfavorably with those in other cities along the coast.

Liberia has so far failed to submit the annual report required of a signatory to the Forced Labor Convention of 1930,[63] but General Winship declared as early as June 1933 that "conditions had considerably improved since the International Committee of En-

53. Cf. Buell, "The Reconstruction of Liberia," cited.

54. *New York Herald Tribune*, December 3, 1933; and cf. also Dr. Mackenzie's remarks before the Liberia Committee, October 9, 1933. (Committee of the Council, *Minutes of the Thirty-first Meeting*, C/Liberia/P.V.31(1), p. 7.) Liberia's arrears in dues to the League of Nations now total almost 100,000 Swiss francs. (League of Nations, *Audited Accounts for the Fifteenth Financial Period (1933)*, A.3.1934.X., p. 14.)

55. Cf. *Afro-American*, April 29, 1933; cf. also Liberia, *Customs Service . . . for 1933, with Statement Showing Value of Import and Export* (Monrovia, 1934).

56. Cf. Buell, "The Reconstruction of Liberia," cited, pp. 127-8; also League of Nations, *Report of Dr. Mackenzie*, September 24, 1932, C.662.M.319.1932.VII.

57. *Papers concerning Affairs in Liberia*, cited, p. 40; cf. also League of Nations, *Note by the Secretary-General*, C.155.-M.65.1934.VII., April 24, 1934; *ibid.*, C.187.M.76.1934.VII., May 11, 1934.

58. *Note by the Secretary-General*, April 24, 1934, cited, p. 4.

59. *Ibid.*, C.367.1934.VII., August 30, 1934.

60. Cf. G. S. Schuyler, "Uncle Sam's Black Step-Child," *American Mercury*, June 1933.

61. Parliamentary Debates, *Official Reports*, House of Lords, Session 1933-34, Vol. 91, col. 723-57.

62. League of Nations, *Note by the Secretary-General*, C.229.-M.95.1934.VII., May 29, 1934; also *ibid.*, C.275.M.117.1934.VII., June 19, 1934; and *ibid.*, C.310.M.137.1934.VII., July 13, 1934.

63. International Labor Conference, *Summary of Annual Reports under Article 408*, Seventeenth Session, 1933 (Geneva, International Labor Office), p. 445; Eighteenth Session, 1934, p. 200.

quiry made its report."[64] The government of the Republic has not refrained from admitting "gross carelessness, indifference, and dishonesty" among its treasury officials in the outlying districts,[65] but at the same time Monrovia papers report that natives of Sierra Leone flee to Liberia to escape the rigors of British rule.[66]

PRESIDENT BARCLAY'S REFORM POLICY

Moreover, this year the Barclay government has initiated extensive reforms in its administration of the native population and the Republic's finances. In January a friendly commentator stated: "The Government is striving to cultivate and cement friendship between the natives and the Government, and it is only a matter of time when the district commissioners will become locally selected representatives."[67] From February to May President Barclay made an inspection of the native districts in the course of which he was reported to have been welcomed by entire native villages, even in the troubled Kru region, and to have settled on more than one occasion long-standing inter-tribal disputes "to the satisfaction of everybody present, even those who were directly concerned."

At the meeting of the Council on May 18, at which the League withdrew its offer, the Liberian representative declared that his country was so determined "to secure the advice of foreign specialists in its administration that it had decided to obtain their services otherwise than under the plan of assistance, in the belief that this would meet the objective sought in the plan, but would do so in accordance with the fundamental law of the country."[68] Liberia announced in October 1934 that it had engaged two Polish experts, one as Sanitary Adviser and the other as Economic Adviser to the Republic.[69] The government hopes to engage other foreign experts, negro or white, to oversee the administrative departments, and to secure a "Chief Adviser" who shall be responsible directly to the President. Apparently it is the policy of President Barclay to carry out in this way the greater part of the reforms advocated by the League Commissions without jeopardizing the independence of the Republic and without recourse to a new loan. The long-established dominance of the True Whig party[70] guarantees President Barclay's re-election for a second four-year term in 1935, and the drastic sedition law of 1933 makes any opposition to his régime unlikely.[71]

In order to inaugurate Liberia's financial reform, Secretary of the Treasury Gabriel Dennis headed a trip to the Leeward Counties in February and March 1934, in the course of which repairs were begun on government buildings, lighthouses were set in order, a beacon erected, and arrangements made for the payment of hut taxes in kind.[72] A mission to the United States to revise the Firestone loan was authorized in January, but due to the coolness of the Finance Corporation has not left Liberia. By means of a concession granted by the Bank of Liberia, a Dutch syndicate has successfully completed a mineral survey of 50,000 acres over which it obtained special rights. This year the Firestone Plantation Company has engaged 4,000 new men to make the first tapping on the 10,000,000 rubber tree plantation. The tapping promises to be successful and will result in the receipt by the Liberian government of a one per cent tax on the value of the rubber exported.

A NEW LIBERIAN POLICY IN WASHINGTON?

Now that Liberia has substituted its own reconstruction scheme for the League plan of assistance, the United States must decide whether to accept the existing situation while retaining connection with the Monrovia government through the 1926 Loan Agreement, to press for a resumption of League activity, or to undertake unilateral responsibility for reforms in Liberia.

Dissatisfied with present conditions in Liberia and refusing to believe in the possibility of genuine improvement under the Barclay government, some interests favor a policy of intervention by the United States. One Negro journalist has expressed his agreement with what he claims is the "consensus of opinion among Americans in Liberia," that the United States should undertake "benevolent supervision" of the affairs

64. League of Nations, Committee of the Council, *Minutes*, C/Liberia/P.V.30 (1), cited, p. 5.

65. *Statement concerning the trip of the Honourable the Secretary of the Treasury, R. L., to the Leeward Counties* (Monrovia, March 27, 1934).

66. *The Weekly Mirror* (Monrovia), August 3, 1934.

67. *Afro-American*, January 6, 1934.

68. League of Nations, Council, *Minutes of the Seventy-Ninth Session*, cited, p. 7.

69. League of Nations, *Situation in Liberia*, C.455.M.196.-1934.VII., October 3, 1934.

70. Cf. Buell, *The Native Problem in Africa*, cited, Vol. II, Chapter 95.

71. Cf. *Afro-American*, March 11, 1933. Three to seven months' imprisonment and confiscation of property is the penalty for criticizing the President or the government's native policy, or for providing a foreign government with information on affairs of domestic concern.

72. This trip is estimated to have saved the government $30,000. Cf. *Statement concerning trip of the Honourable the Secretary of the Treasury*, cited.

of the Republic.[73] British Parliamentary debates on conditions in Liberia and the British note to the United States pledging cooperation in any "well-considered" American measures give the impression that Great Britain would welcome an active policy on the part of Washington in clearing up the administration of a troublesome country bordering on one of its African colonies. A policy of active American intervention carried on by administrators responsible directly to Washington might secure the efficient application of the reforms which the State Department has long considered overdue. Such a policy, however, might conflict with the views of the League of Nations concerning the preservation of the sovereignty of Liberia and would certainly conflict with the "good neighbor" policy of President Roosevelt under which the Platt Amendment has been abrogated and the American marines withdrawn from Haiti, the only other Negro Republic in the world.

On the other hand, it has been suggested that the United States induce Liberia to make another request for assistance from the League, a path which the Council kept open to Liberia when it withdrew its offer last May. By this method the first League plan — which had the advantage of recommending the changes in the two Firestone agreements generally recognized as necessary for the unhampered development of Liberia — might be revived and actively supported by the American government. It is, however, argued that since Liberia prefers to come to terms with Firestone directly and to remain free to plan and execute its own reforms, it would not make a second request at Geneva unless subjected to pressure from Washington. In opposition to this second procedure it is also contended that the relationship of the United States and the Liberia Committee of the League during the past three years demonstrates that a program of reconstruction, responsibility for which is to be shared by the League and a non-member state, cannot prove satisfactory.

As a third possibility the United States might decide not to change the relations established between Washington and Monrovia by the Loan Agreement of 1926, nor to propose any changes in that agreement or the rubber concession of the Firestone Plantations Company. In addition to retaining its connection with the Liberian government through the Financial Adviser and his assistants, the State Department might informally nominate the additional foreign experts which Liberia has decided to appoint. Apparently the United States is moving in this direction. By sending Mr. McBride in July 1934 to study Liberian conditions on the spot, Washington has made a special attempt to understand the Liberian point of view and the needs of the country. The appointment of Mr. Hibbard as secretary of legation and consul in Monrovia may be interpreted as the first step towards recognition of the government of President Barclay.[74] This, however, might bring no better results than the past policy of the United States which, while guarding the Republic against foreign aggression and protecting the Firestone interests in Liberia, assumed no open responsibility for efficient administration by a Liberian government having concern for the public welfare.

73. Schuyler, "Uncle Sam's Black Step-Child," cited, p. 156.

74. Cf. *New York Times*, September 23, 1934.